MORTGAGE INNOVATORS

Choosing the Right Technology Vendor

A How-to Guide, from Start to Finish

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The Choice in front of You

As a mortgage professional, you need to find any edge that you can. Technology is moving and changing constantly in the mortgage space, which is great news for anyone who is willing and able to stay ahead of the latest trends. As the mortgage industry remains in a state of transformation and innovation, we can help you, providing you with the answers and guidance you need to thrive.

None of this is hypothetical. Many mortgage professionals encounter difficulties as they are going through this process. They run into one pitfall after another because instead of outlining the pros and cons of their choice, they jump into something. A month or a year later, they realize the mistake they have made, but by then, it may be too late.

That is why it is so important to practice diligence during this process, from beginning to end. Then, you can answer any big questions before you decide to do something. Say you choose a certain technology, and it turns out it's incompatible with another technology you would like to choose: if you miss that during your research, then you are backing yourself up into a corner.

On the other hand, if you understand how all of your different technology choices are going to mesh, then you can put together an intelligent, efficient system. This is a little like piecing together a classic car: it may take a little more effort for you to find all of the right parts, but when you do find them, every drive is going to be smooth and simple.

Let's go through all of the different steps in this process together.

Recognizing the
Right Time

The first consideration, before you ever hit the "buy" button on anything, is to accurately evaluate timing. It is necessary to look into all of the time-based variables that are going to impact your decision and inform your technology choices. This step is critical because unless you are choosing technology at the right time, even the best options may fall short of your expectations.

In California, for example, e-closing and remote online notaries are not yet possible. Depending on the state that you live in, that may be an option. If it is, then you may be able to save time and money, while improving the borrower's experience - speeding up the closing process, reducing closing mistakes, and making it easier for borrowers to complete their closing documents.. If it's not, then you need to know that – so that you are not investing into any technology that is irrelevant to your business.

There will be many factors that determine when the right time is for a specific piece of technology. Local legislation, customers' demands, and competitor strategies are shifting all the time. It is necessary to pay attention to all of these details, keeping on top of the latest news, to figure out what customers expect and how it is possible to serve them effectively.

Sometimes, you will be able to see that something is creating an unsustainable situation for your business. In that case, you need to solve your emergency, making a decision quickly. Other times, it will make sense for you to wait six months or a year, to see where you are once your situation becomes clearer. You are analyzing the situation every step of the way, to get a grasp of what issues you need to address and what benefits you need to deliver to your customers and partners.

The other side of timing is ensuring that you are getting all of your technology when it's market-ready. Instead of becoming an early adopter for every tool that you use, you want to avoid making yourself the guinea pig for platforms and systems that should still be in their beta phases. Even though there are always going to be bugs, you should be able to strike the balance between acting now and waiting patiently.

As you are considering your own schedule and needs, look into the technology creators as well. See what they have accomplished to date and what they have planned for the future. Are they hiring? Are venture capitalists showing interest in them? Are they growing – or shrinking? You may decide that there is no reason to rush into anything if there is no clear leader or solution for your immediate needs.

Current commitments may, in fact, deter you from making any big technology changes. If your loan officers are struggling to keep up with their workload, then you need to ask if it may be beneficial not to make any new changes at that point in time. The last thing that you want is to create stress or pressure through one of your technology choices.

If you decide that your team may be ready for change, then you may be doing a service by adopting a new piece of technology – and taking on all those challenges before you get busy again. Typically, you need to treat this process as an ongoing, evolving matter, examining and reexamining any conclusions that you draw.

# Integration, Communication, Collaboration

Comparison of API vs SDK

	API	SDK
Purpose	Connects and integrates software	Contains a variety of development tools
Characteristics	Lightweight, fast, usually specialized	More robust, usually includes many utilities
Use Case	Used for adding specific functions to an application	Used for creating new applications or adding many functionalities with one package

Diving deeper into the concept of "fit," let's look at all of the technologies that you want to use and how the connections between them are going to help your business or hinder it. For example, you need to know whether or not each technology integrates via an SDK, an API, or not at all.

SDKs tend to be more robust, empowering your developers or IT team members to take charge throughout the integration. They often require difficult flow.

APIs, meanwhile, are much more straightforward, making them the easiest and best option.
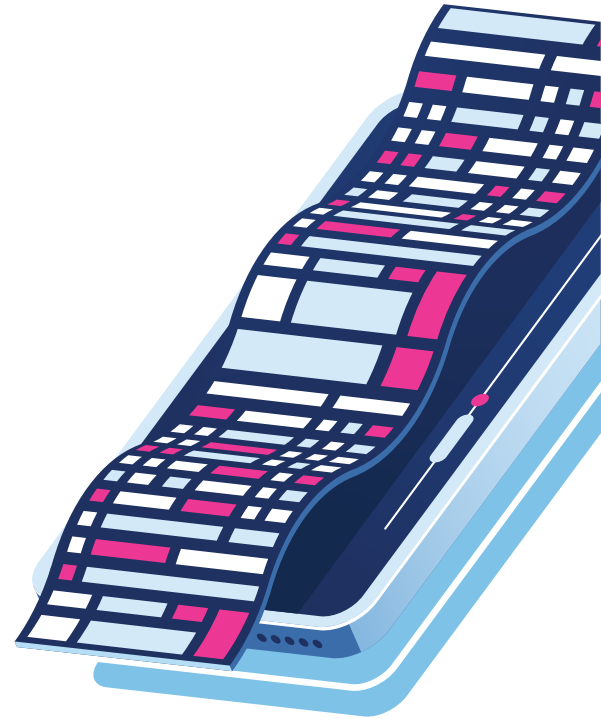
A direct integration, on the other hand, means that two systems have worked together to build out an easy, plug-and-play connection, entailing none of the work that APIs and SDKs require. It is only necessary to turn on the integration and test.

For other technologies, you may find that there are no easy integration options at all. They may require you to submit CSV spreadsheets or some other form of bootstrapped upload. It is best to avoid those options, opting for systems that are more seamless and automated.

You can then ask yourself what possibilities you are opening to your business when you integrate each technology.

Will there be other systems available to you depending on what technology you choose? What benefits do they offer?

Will integration be easier or harder for you in the future based on your choice?

Are there extra fees associated with integration? Are you giving up anything?

This is a great opportunity to take advantage of the accumulated knowledge and experience within your partners and team members. You should ask for feedback, inviting references and opinions. Tap into your network and find other mortgage professionals who are using the systems under consideration. What has their experience been like? Make sure they are using the technology with the same integrations you plan on using. If not, their feedback may not be applicable to your technology stack.

To make your research as comprehensive as possible, you may look into reviews too, contacting people who have provided feedback about the technology. Local industry associations and mortgage conferences, like the Mortgage Innovators Conference, are very helpful for the same reason: you want to get as many thoughts and feelings about the technology as you can.

From there, you can form an internal committee. This is pivotal any time you are rolling out a new technology: you want the loan officers to give their thumbs-up beforehand, getting on board so that they become advocates for your choice. Throughout the process, they should feel acknowledged and heard, knowing that you have taken their ideas and insights into the decision-making process. This is the best way to get buy-in and achieve long-term success with your new technology.

Mistakes to Avoid

As you are going through your research and preparing to make a decision about your technology, here are some common mistakes that you should consider. Although no one can foresee every potential difficulty you are going to encounter, you can do right by your team by staying cognizant of the challenges you are most likely to face.

For example, as you are scheduling your roll-out and implementation, err on the side of overestimation. You don't want to underestimate any of your lead times or set aside too few resources for yourself. The same goes for the team members who may be involved: while you are allocating people to certain roles, be cautious not to spread anyone too thin.

Something else that you can do to facilitate any roll-out is to involve the end-users in your plans. If someone tells you, at any point, that they dislike a feature or that they are uncomfortable with a function, remain open to them. Pay attention to what they are saying, passing along their constructive criticism to the committee you have formed for this decision.

On top of that, you should think about workflows constantly. If your technology saves five minutes on one task, serving loan officers, but it creates a bottleneck that sets operations team members back ten or fifteen minutes, then it may not be the right choice – or, at least, you may need to rethink how you are implementing it. Any time you are looking at a potential disruption, you need to weigh it against the advantages it is putting within your reach.

Another mistake to avoid is signing too lengthy of a contract with technology vendors who have not established their track record over a sufficient period of time. For instance, if you sign a five-year contract with a company that has only launched in the last two years, you may wind up stuck paying for something that falls out of support and becomes useless to you.

In general, you will be able to predict the most dangerous mistakes by researching all of the variables and seeking out expert opinions. Never make any guesses about the choice in front of you. You should feel confident in what you're putting into your team members' hands. They should feel excited as well. Without buy-in and adoption, new technologies are expensive and ineffective.

Decision Time

Before you call up any technology company sales reps and tell them that you are ready to move forward with their product (or products), take the time to put all of your thoughts in order. You want to add some structure to all of the knowledge, information, and insights you have collected.

To do this, create a list of the pros and cons of all the technologies you are looking at. You need to break down all the features of the systems you are thinking about, taking a deep dive into what they can do for you and what they are going to require of you.

Once you have created all of your lists, eliminate options one at a time and whittle them down to a top-three list. This is where you are going to get ruthless: figure out, precisely, what you need for your business and what aligns with your company's mission. If a technology falls short, or you feel hesitant about it, cut it off the list. It is always easier to add something back to your list, if you decide that's necessary, than it is to integrate a technology into your business and then roll it back later.

What is the cost per user? What does your committee think about it? What are the implementation costs? What are the contract terms? What are the unique features? What is the history of this technology vendor?

Does this technology connect to other important third-party systems? What else does it do? What else can it do, if you tinker with it a little bit?

Does the vendor seem disorganized? Are there high-quality people working for them? Do they respond to you in a timely manner? Are they professional and courteous?

All of these questions matter because when you are choosing a new technology, everything matters. It may seem like a deep ocean to wade through – but all you can do is swim.

To get more of our tips about choosing the right technology and all of the other challenges mortgage professionals face, join one of our mailing lists, or reach out to us on our website and we can connect you with helpful resources to make your process smoother and the outcome a success.

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